

Department of Social and Health Services

**DP Code/Title: M2-2T Basic Health Plan**

**Program Level - 050 Long Term Care Services**

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Budget Period: 2001-03    Version: E3 050 2001-03 2003 Sup Agency Req

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**Recommendation Summary Text:**

This decision package request is to fund the continuing cost of the Basic Health Plan (BHP) for individual and agency providers who meet the eligibility requirements for health care coverage through the BHP or equivalent benefits offered through a private market plan.

**Fiscal Detail:**

**Operating Expenditures**

	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	35,000	35,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	552,000	552,000
760-1 Health Services Account-State	0	564,000	564,000
<b>Total Cost</b>	<b>0</b>	<b>1,151,000</b>	<b>1,151,000</b>

**Staffing**

**Package Description:**

Beginning July, 1995 individual providers with family incomes below 200 percent of the federal poverty level (FPL) and agency workers, regardless of family income who provide services to children, elderly individuals, and individuals with developmental disabilities have been eligible to enroll in the BHP at a cost of \$10 per month with the balance of their premium cost covered by Washington State's Health Services Account (HSA) and federal funds. In January 2000 home care agencies were given the option to use HSA funds to obtain health coverage through BHP or an alternative plan with substantially equivalent benefits.

Expenditures for this purpose have grown during Fiscal Year 2001 and Fiscal Year 2002. This growth is expected to continue in Fiscal Year 2003.

Increases are expected for the following reasons:

- 1) Increase in health care insurance premiums.
- 2) Higher enrollment by both Home Care Agencies and individual providers due to increased outreach and monitoring.
- 3) Perceived barriers of the application process are expected to decline with greater utilization of a private market plan.

However, the growth is not accurately measurable and is not shown in this decision package. It is anticipated the growth will be addressed after sufficient data is available to provide an accurate prediction.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

This request funds an ongoing health insurance program for low-income homecare workers who serve Department of Social and Health Services (DSHS) clients. One of Aging and Adult Service's (AASA) Strategic Goals for 2001-03 is to strengthen the Long-Term Care (LTC) caregiver workforce (wages, benefits, oversight). There is already a severe shortage in the number of qualified home care workers in the state. It is difficult for providers to support themselves and their families on the hourly wage paid to them for providing care to DSHS clients. Access to low-cost health insurance is one way to assist in

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attracting and retaining a viable community-based work force. Without this program, the availability of cost-effective homecare workers would decrease, forcing clients into more costly out-of-home placements.

***Performance Measure Detail***

**Program: 050**

**Goal: 01E    Ensure access to an array of optional long-term care services**

No measures submitted for package

**Incremental Changes**

**FY 1**

**FY 2**

**Goal: 06E    Ensure cost effectiveness of long-term care**

No measures submitted for package

**Incremental Changes**

**FY 1**

**FY 2**

***Reason for change:***

This request funds an ongoing health insurance program for low-income homecare workers who serve DSHS clients. Without this program, the availability of cost-effective homecare workers would decrease, forcing clients into more costly out-of-home placements.

***Impact on clients and services:***

The health insurance benefits funded by this decision package provide an incentive to current homecare workers to continue to serve current clients and attracts additional homecare workers for caseload growth.

Individual providers with family incomes below 200 percent of the FPL and agency home care workers who provide services to children, elderly individuals and individuals with developmental disabilities are eligible to enroll in the BHP at a cost of \$10 per month with the balance of their premium cost covered by state HSA and federal funds.

***Impact on other state programs:***

Developmental Disabilities

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

None

***Alternatives explored by agency:***

Washington State could choose to not subsidize enrollment of low-income homecare workers in the BHP, thereby removing one of the few financial incentives for individuals to become homecare workers. The impact would be a decline in the number of homecare workers, which could result in costly out-of-home placements for individuals currently served in their own home. This option ensures continuity of care for current clients and is cost-effective for current and new clients.

***Budget impacts in future biennia:***

There will be a bow wave, as the basic health plan continues to be utilized during the course of the 2003-05 Biennium.

***Distinction between one-time and ongoing costs:***

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The BHP costs are ongoing as enrollees continue to be allowed to participate.

***Effects of non-funding:***

Lack of health insurance coverage may result in the loss of some providers, thus creating potential lessening of access to services.

***Expenditure Calculations and Assumptions:***

See attachment - AASA M2-2T Basic Health Plan.xls

<b><u>Object Detail</u></b>	<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>			
N    Grants, Benefits & Client Services	0	1,151,000	1,151,000

**DSHS Source Code Detail**

<b>Overall Funding</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
0011	General Fund State	0	35,000	35,000
<i>Total for Fund 001-1</i>		<b>0</b>	<b>35,000</b>	<b>35,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
19TA	Title XIX Assistance (FMAP)	0	552,000	552,000
<i>Total for Fund 001-C</i>		<b>0</b>	<b>552,000</b>	<b>552,000</b>
<b>Fund 760-1, Health Services Account-State</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
7601	Health Services Account	0	564,000	564,000
<i>Total for Fund 760-1</i>		<b>0</b>	<b>564,000</b>	<b>564,000</b>
<b>Total Overall Funding</b>		<b>0</b>	<b>1,151,000</b>	<b>1,151,000</b>